

Budget Work Session

Agenda Item #	2
Meeting Date	June 11, 2007
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	Work session concerning the proposed budget for FY08
Background	<p>The City's new fiscal year will commence on July 1, 2007. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager prepared a recommended budget for consideration by the City Council, which was presented on April 9, 2007. The Council subsequently held a number of work sessions at which the City Manager's recommended budget was discussed. First reading of various ordinances adopting and approving the proposed budget was held on June 4, 2007.</p> <p>During the discussion of these ordinances, Councilmember Seamens requested that funding be added to the budget to increase the hours worked by the Coordinator of Senior Recreation Programs; the additional hours would make the position eligible for fringe benefits. The cost of this modification would be approximately \$25,000.</p> <p>Councilmember Seamens also proposed that the amount allocated for the use of contractual labor in the Public Works Department be reduced and that the monies be used to add a full-time position in both the Gardens Division and the Right-of-Way Division. The addition of the two positions in the Public Works Department would have a net cost of approximately \$30,000.</p> <p>Councilmember Seamens requested the Council's consideration of a third addition to the proposed budget for FY08—funding for an audit of the police evidence function. Based on comments made during the Council discussion, it is staff's understanding that Councilmember Seamens is requesting \$35,000 for this purpose.</p>
Policy	In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing. Public hearings were held on May 7 th and June 4 th .
Fiscal Impact	The combined cost of Councilmember Seamens' requested additions to the proposed budget for FY08 is \$90,000.
Attachments	<p>Memo dated June 4, 2007 from City Manager Barbara B. Matthews concerning part-time staffing and contractual labor usage</p> <p>Memo dated June 8, 2007 from City Manager Barbara B. Matthews concerning the proposed audit of the police evidence function</p>

Recommendation	<p>As a service organization, the majority of the City's on-going operational are personnel related. Consequently, increases in staffing should be carefully considered and in the context of other service priorities.</p> <p>In the near future, the City will soon begin the recruitment process for the position of Coordinator of Senior Recreation Programs. An increase in the position's work hours and providing benefits would likely increase the applicant pool and would also be beneficial from a programmatic standpoint. Staff recommends that the position be budgeted at 30 hours per week, which would result in an added cost of approximately \$25,000.</p> <p>Other than increasing the hours of the Coordinator of Senior Recreation Programs, staff recommends that other staffing changes be deferred to allow for a more comprehensive discussion by the Council.</p> <p>In regard to the proposed audit of the police evidence function, staff recommends that no action be taken at this time. As noted in the attached memo, the Chief of Police is in the process of implementing a number of measures to improve this departmental function. As part of the City's audit for FY07, Clifton Gunderson LLP will place additional emphasis on the controls in place over the seizure and disposal of assets resulting from police activities, as requested by Councilmember Seamens. Should the firm's assessment indicate that a more detailed review is warranted, the City could then define the scope of the work that should be performed and contract for it.</p>
Special Consideration	<p>During the Council's discussion on June 4, 2007, some Councilmembers suggested an expansion of the manner in which the Recreation bus is utilized. In light of these comments, the Council may wish to consider adding \$2,000 to the Recreation Department operating budget for this purpose.</p>

Memo

To: City Council
From: Barbara B. Matthews, City Manager
Date: June 4, 2007
Re: Part-time Staffing and Contractual Labor Usage

During the discussion of the proposed budget for FY08, Councilmember Seamens requested additional information concerning the City's part-time employees and the use of contractual labor. He wished to know the feasibility of and the cost of using full-time employees in lieu of part-time and contractual labor in these instances.

The proposed budget for FY08 assumes a restructuring of certain part-time positions in the Public Works Department and the Recreation Department. The changes are summarized below:

- Three part-time custodial positions in the Public Works Department would be restructured to provide for one full-time position and one part-time position working 15 hours per week. The proposed budget reflects the additional cost of the fringe benefits that would be provided to this full-time employee.
- The main reception desk at the Community Center is staffed by the Administration Department between the hours of 8:30 a.m. and 5:00 p.m., Monday through Friday. Multiple part-time Recreation Department employees provide coverage during the evening and on the weekend. Some of the staffing hours allocated to the Recreation Department would be aggregated to create a full-time position that would be responsible for staffing the main reception desk Tuesday through Saturday from 2:00 p.m. to closure of the building. The proposed budget reflects the additional cost of the fringe benefits that would be provided to this full-time employee.
- In FY07, the City began offering before-school care. Participation in the after-school enrichment program has grown steadily in recent years. The Recreation Director has recommended that the current part-time staffing hours allocated to the before-school and after-school programs be consolidated to create a 35-hour per week position that could provide oversight and coordination of both programs; this position would be eligible for fringe benefits in accordance with City policy.

This memo assumes that the aforementioned changes are approved by the City Council. The following is a summary of each department's use of part-time employees who work less than 20 hours per week and, consequently, do not receive benefits. Information on the Public Works Department's use of contractual labor is also provided.

Library/Computer Learning Center

Staffing for the Library includes two part-time shelvers. Each of the shelvers is scheduled to work 15 hours/week. According to Library Director Ellen Arnold-Robbins, the aggregation of the two positions into one 30-hour per week position would not meet the department's operational requirements.

The Computer Learning Center is staffed by three part-time positions. One position is a 30-hour per week position that receives benefits. The other part-time employees are scheduled to work 10 hours per week and do not receive benefits.

One of the 10-hour per week employees works from 6:00 p.m. to 8:00 p.m., Monday through Friday. The other position provides coverage for the Computer Learning Center on weekends, working Saturdays from 12:00 p.m. to 6:00 p.m. and Sundays from 2:00 p.m. to 6:00 p.m. Aggregating these hours to create a position that receives benefits would not provide the necessary coverage for the Computer Learning Center and would necessitate a reduction in the hours that the Computer Learning Center is open.

Public Works Department

As proposed for FY08, the Public Works Department will have one part-time custodial position. The position is scheduled to work 15 hours per week and would be assigned duties on Saturday and Sunday. The Public Works Director has indicated that there is not sufficient work on the weekend to warrant an increase in the hours of this position.

The Public Works Department uses contractual labor to supplement full-time staffing resources, particularly in the Gardens Division and the Right-of-Way Division. The proposed FY08 budget includes \$85,240 for contractual labor in these two divisions.

The Gardens Division's proposed budget for contractual labor is \$40,000. If a full-time position was added, the Public Works Director has indicated that this amount could be reduced to \$5,300—a reduction of \$34,700.

The Right-of-Way Division's proposed budget for contractual labor is \$45,240. If a full-time position was added, the Public Works Director has indicated that this amount could be reduced to \$12,000—a reduction of \$33,240.

The addition of two full-time positions in the Public Works Department would have a net cost of approximately \$30,000.

Recreation Department

As is customary in local government, the Recreation Department makes extensive use of part-time and seasonal employees. Seasonal employees are used during the summer months for the camp programs; as seasonal employees, the employees for these programs do not receive benefits.

The Recreation Department also uses part-time employees for the following functions:

- Coverage at the Community Center (reception desk, Game Room, and Teen Room)

- Coverage at the New Hampshire Avenue Recreation Center (after-school programs and facility supervision)
- Coordinator of senior programs

The part-time hours allocated to certain staff assigned to the New Hampshire Avenue Recreation Center could be aggregated to create a full-time facility attendant position. The net increase in cost would be approximately \$20,000. Part-time staff would still be required for the after-school program and fill-in facility coverage.

Over the next month, both the County Council and the Planning Board will begin discussions of their facilities, including the New Hampshire Avenue Recreation Center. Because of the layout and condition of the facility, Park and Planning staff is recommending transfer or demolition of the facility. Pending resolution of this matter, I do not recommend the addition of a full-time position at the New Hampshire Avenue Recreation Center.

The coordinator of senior programs generally works 19 hours per week. Since I submitted my proposed budget, the incumbent has announced her intention to retire effective July 1, 2007. From a recruitment and programmatic standpoint, increasing the number of work hours and providing benefits could make the position more attractive. Should the Council be amenable to this suggestion, staff recommends that the position be budgeted at 30 hours per week. The projected cost of the additional work hours and benefits is approximately \$25,000.

Memo

To: City Council
From: Barbara B. Matthews, City Manager
Date: June 8, 2007
Re: Proposed Audit of Police Evidence Function

On June 4, 2007, Councilmember Seamens requested the Council's consideration of an addition to the proposed budget for FY08—funding for an audit of the police evidence function. Based on comments made during the Council discussion, it is staff's understanding that Councilmember Seamens requested \$35,000 for this purpose.

The estimated cost of the audit proposed by Councilmember Seamens cannot be determined without additional information. The cost would depend on the type of audit to be conducted, the timeframe of the records to be reviewed, and the volume of activity that occurred during that timeframe. Billing rates for audit-related work are in the range of \$125 to \$150 per hour.

Since he assumed leadership of the Police Department in February 2007, Chief Ricucci has undertaken a review of all departmental functions, including the handling of property and evidence. While the policies and procedures set forth in the department's General Orders are generally sound, Chief Ricucci's review indicated a need for dedicated staffing and more focused attention on the property and evidence function. He has apprised me of some actions he plans to take to improve this aspect of the Police Department. These actions include, but are not limited to, the following:

- Hire the position of property and evidence clerk, which was authorized in FY07
- Conduct a comprehensive inventory of all property and evidence currently in the Police Department's possession
- Dispose of old evidence that the City is no longer required to retain
- Ensure that the department has up-to-date software for proper evidence and property control
- Conduct periodic inspections of the evidence and property room

During the normal course of the City's fiscal year 2007 audit, Clifton Gunderson LLP will place additional emphasis on the controls in place over the seizure and disposal of assets resulting from police activities, as requested by Councilmember Seamens. The firm will gain an understanding of those controls and evaluate them for potential weaknesses. As part of this process, Clifton Gunderson LLP will review procedures, have discussions with applicable personnel, and walk-through a sampling of transactions.

The review of Clifton Gunderson LLP will be performed as part of the annual audit, and its focus will be on the material misstatement of financial information. It will not be an internal control audit, and the firm will not render an opinion on the effectiveness of internal controls of the City but will identify significant deficiencies in the internal control system.

Chief Ricucci has discussed his assessment of the evidence and property function with Director of Finance Yovonda Brooks, who has an extensive background in auditing. She has recommended to me that, as a first step, the City should allow Clifton Gunderson LLP to conduct the review described above. Should the firm's assessment indicate that a more detailed review is warranted, the City could then define the scope of the work that should be performed and contract for it.